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OFFICIALS SAY C.I.A. DID NOT TELL F.B.I. OF SPY CASE MOVES

The following article is based on reporting by Stephen Engelberg and Joel Brinkley and was written by Mr. Brinkley.

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WASHINGTON, Oct. 10 — The Central-Intelligence Agency failed to notify the Federal Bureau of Investigation after it learned more than a year ago that Edward L. Howard was considering becoming a Soviet spy. Government officials said today.

According to court records, Mr. Howard told two agency employees in September 1984 that he was thinking of disclosing classified information to the Soviet Union.

Soviet Defector Was the Key

The bureau has sole responsibility for domestic espionage investigations and, under Federal law, the intelligence agency and all other Government agencies are supposed to report suspected espionage to the F.B.I. It is illegal for the C.I.A. or any other Federal agency to carry out surveillance or other actions within the United States to stop potential spies.

Mr. Howard, 33 years old, a former intelligence agency officer who is now a fugitive, has been charged with espionage, accused of giving Soviet officials details of American intelligence operations in Moscow. Federal officials have called the disclosures serious and damaging.

'Bad Mistake,' Senator Says

Federal officials said the C.I.A. told the F.B.I. nothing about Mr. Howard until after the bureau began an investigation this fall based on information from a Soviet defector, Vitaly Yurchenko, who had been a senior official of the K.G.B., the Soviet intelligence agency.

The bureau began surveillance of Mr. Howard last month, but he slipped out of his home at night and is believed to have fled the country.

Senator Patrick J. Leahy, the Vermont Democrat who is vice chairman of the Select Committee on Intelligence, said today: "If the C.I.A. did not give the F.B.I. adequate information about this person, that's a bad mistake. It shows very, very serious problems within the C.I.A."

In the last few weeks the C.I.A. transferred the chief of its office of security, William Kotopish, to a new job at a level of equivalent seniority, but an official said the move had been planned "for some time" and was not related to the Howard case.

Mr. Howard worked for the agency from 1981 to 1983. He was told of classified American intelligence operations in Moscow because the agency was planning to assign him there, officials have said.

According to a criminal complaint on file in Federal District Court in Albuquerque, N.M., Mr. Howard told two current employees of the intelligence agency a year ago last month that he had "spent hours in the vicinity of the Soviet Embassy trying to decide whether to enter the embassy and disclose classified information."

An F.B.I. affidavit says the conversation was held Sept. 24, 1984. Four days before that, the Government contends, Mr. Howard gave his information to Soviet officials in St. Anton, Austria.

George Lauder, a C.I.A. spokesman, said today that as a result of that conversation "action was taken" within the agency "and it seemed to be reasonable action at the time." He would not say what the action was, although an official said the agency kept in contact with Mr. Howard after his conversation with the two C.I.A. operatives. Mr. Howard lived in New Mexico at the time.

'A Few Blatant Cases'

The Senate and House intelligence committees are investigating the handling of the Howard case. A key issue in the study, committee members said, will be how the C.I.A. and other agencies deal with employees who leave Government service with detailed, classified knowledge about sensitive programs.

Another element of the investigations will be several recent espionage cases in which Government officials failed to heed warning signs that a current or former employee was planning to spy or was spying, committee members said.

"We've had a few blatant cases where we just didn't follow through, even with alarm bells going off," said Representative Dave McCurdy, Democrat of Oklahoma, chairman of the House committee's Subcommittee on Oversight and Evaluation.

In the Howard case, a senior F.B.I. official said Mr. Howard's conversation with the two C.I.A. officers would have been sufficient to warrant an investigation.

"Anytime we get information that someone has considered such an act, we would take some action," said Philip A. Parker, deputy assistant director of the bureau's intelligence division.

An intelligence official said the C.I.A.'s decision to handle the matter internally rather than report it to the F.B.I. was "a judgment call," adding, "If you reported every fantasy that people have, you'd have everyone under surveillance."

Law Bars C.I.A. Moves in U.S.

The C.I.A. would not say whether it undertook any form of inquiry after Mr. Howard told the two C.I.A. employees he had considered becoming a Soviet spy. But Federal law and a Presidential executive order prohibit the agency from taking any steps inside the United States to investigate possible cases of espionage.

Mr. Howard was one of tens of thousands of people who retire from Government or industry each year after holding positions that gave them access to classified materials. More than 4.3 million people in government and industry associated with government now have clearances to use classified information.

Asked what procedures the Central Intelligence Agency uses to monitor former employees who have knowledge of classified programs, Mr. Lauder, the agency spokesman, said: "We haven't got any procedures. Once a person leaves here, he is John Q. Citizen, just like you and me. We don't keep a string on them. It's strictly an F.B.I. matter."

Dave Durenberger, the Minnesota Republican who is chairman of the Senate Intelligence Committee, said his panel would also examine the problem presented by military officers who retire with knowledge of classified materials.

Most people with security clearances work for the Pentagon. At the Defense Department, L. Britt Snider, director of counterintelligence and security policy, said: "We don't have any jurisdiction of any kind over former employees, whether or not they had clearances. It's strictly the F.B.I."

At the F.B.I., Mr. Parker said, "We are not concerned about Americans who have had clearances. We don't look at these people unless we detect an individual involved in espionage."

Ex-Intelligence Chief's Moves

Senator Leahy said: "I don't think anyone expects the F.B.I. to maintain surveillance on the several hundred thousand people who leave the Government each year with security clearances. But there are a certain number of people in extremely sensitive positions, a handful of them, that we ought to do more with."

Mr. Leahy said Mr. Howard "certainly would have been one of those" because he held highly sensitive information and was being dismissed following a polygraph examination that indicated drug use and petty thievery, according to Federal officials.

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P When Adm. Stansfield M. Turner was Director of Central Intelligence in the Carter Administration, he dismissed, transferred or forced to retire nearly 200 C.I.A. officers who held highly sensitive positions.

In an interview this week, he said that others in the agency had warned him that "we ran the risk of some of them selling their information to the other side." He said he had disagreed when it was suggested that some should be given other jobs, and proceeded with his original plans.

But he said of Mr. Howard: "I don't think my rule should be totally rigid. If this guy had just been briefed, I'd say let's stick him in the Dominican Republic or someplace like that for a couple of years, until the information isn't valuable anymore."

Senator Leahy said: "We may need some sort of turkey farm for some of these former employees. Make them translate cables or something like that for a couple of years."

Admiral Turner said he thought C.I.A. officers ought to be required to agree when they are hired that "for three years or so after they leave, they will be subject to the same rules of intrusion as applied when they were in government. Make them come back for random polygraph examinations. That would give them one more thing to worry about before they turn."

A C.I.A. official said "it's conceivable" that that idea would work, adding that finding solutions to the problem "is certainly something we're thinking about now."